

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 98-529

SEPTEMBER 25, 1998

BANGOR WATER DISTRICT
Extension of Service Area Into
The Town of Hermon and Request
For Approval of Agreement

ORDER

WELCH, Chairman; NUGENT, Commissioner

SUMMARY

We approve the Bangor Water District (District) request to extend water service into the portion of the Town of Hermon (Town) described in Exhibit 1 attached to this Order. We also approve the Main Extension and Water Supply Agreement (Agreement) between the District and the Town.

BACKGROUND

On July 9, 1998, the District filed with the Commission a request for approval of its Agreement with the Town for main extension and water supply. On August 27, 1998, the District filed an agreement between the Town of Hermon and an engineering firm to identify sources of groundwater for a wellhead site and wellhead management area to be acquired by the Town of Hermon and transferred to the District. On September 9, 1998, the District filed a revised description of the proposed service area. That description is attached to this order as Exhibit 1. Under the Agreement the Town will extend the District's water main approximately 1400 feet and will construct a standpipe to permit the District to serve properties on Coldbrook Road and Odlin Road in Hermon. Those facilities will be owned and maintained by the District and the District will invest in those facilities pursuant to Chapter 65 of the Commission's Rules. Customers within the service area will be charged the District's filed rates.

Under the Agreement, the Town will also acquire a wellhead and wellhead management area for a groundwater well with a capacity of at least 200 GPM. Pursuant to the Agreement the Town will (1) identify a suitable source of groundwater for use as a drinking water source, (2) test the site, (3) secure regulatory

review and approval of the new wellhead site, and (4) identify the wellhead site and wellhead management area on a survey plan adequate for property acquisition and transfer. The Agreement further states the Town's willingness to acquire, at its cost, land in Hermon for the site. However, because the consideration for the District's main extension is the Town's agreement to identify and transfer the wellhead site and management area, we interpret the Agreement as requiring the Town of Hermon to identify and acquire (or pay the cost of acquiring) land outside of Hermon for the wellhead site and management area if a suitable site in Hermon cannot be located.

The District is a public utility organized under Chapter 39, Private and Special Laws of 1957 and amendments thereto. It seeks authority pursuant to 35-A M.R.S.A. § 2110 to extend its service in and to the portion of the Town described in Exhibit 1. No other utility is now furnishing similar service in that area. The Agreement states the extension of service under the contract shall not impair the furnishing of water by the District to its customers within the City of Bangor.

Based on our interpretation of the Agreement as discussed above, we find it to be reasonable. Finally, we determine that the Agreement is consistent with Chapter 65 of our rules.

Accordingly, we

O R D E R

1. That the Bangor Water District is authorized to extend water service in and to the Town of Hermon, Maine, in the area described in Exhibit 1 attached to this Order;
2. That the Bangor Water District within Twenty (20) days hereof shall file with the Secretary of State a certificate exhibiting authorization by this Commission for the extension of its service area in accordance with the provisions of 35-A M.R.S.A. § 2110; and
3. That, pursuant to 35-A M.R.S.A. §§ 703 and 2110, the Agreement for Main Extension and Water Supply between the Bangor Water District and Town of Hermon, attached hereto as Exhibit 2, is hereby approved consistent with this Order.

Dated at Augusta, Maine this 25th day of September 1997.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent